UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re: DELTAVILLE BOATYARD, LLC[1] Debtor	Case No. 16-35974-KLP Chapter 11
In re: BOATYARD RENTALS, LLC[2] Debtor	Case No. 16-35389-KLP Chapter 11
In re: DELTAVILLE MARINA, LLC[3] Debtor	Case No. 16-35390-KLP Chapter 11

DEBTORS' MOTION TO AUTHORIZE USE OF CASH COLLATERAL AND ADEQUATE PROTECTION AND MEMORANDUM IN SUPPORT THEREOF

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors" and each a "Debtor") hereby move the Court for the entry of an order pursuant to 11 U.S.C. §§ 361 and 363, and Rule 4001 of the Federal Rules of Bankruptcy Procedure, authorizing the Debtors' use of cash collateral and granting of certain adequate protection (to the extent necessary), and, in support hereof, respectfully represents as follows:

[1] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 13-4216818.
[2] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 20-1921031.
[3] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 20-1958245.

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
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Proposed Counsel for the Debtors

Jurisdiction and Venue

1. On or about November 2, 2016 (the "Initial Petition Date"), Boatyard Rentals, LLC and Deltaville Marina, LLC commenced their reorganization cases by each filing a voluntary petition for relief under chapter 11 of Title 11 of the United States Code, §§ 101 *et. seq.* (the "Bankruptcy Code"). On or about December 6, 2016 (the "Deltaville Petition Date"), Deltaville Boatyard, LLC commenced its reorganization case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors are continuing in possession of their properties and are operating and managing their business, as Debtors-in-Possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

3. The Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

The Debtors' Business and Background

4. Debtor Boatyard Rentals, LLC ("Boatyard Rentals") owns certain real property (the "Yard"), which Yard is leased to Deltaville Boatyard, LLC.

5. Debtor Deltaville Marina, LLC ("Deltaville Marina") is an entity that owns certain real property (the "Marina"). A portion of the Marina is in turn leased to Deltaville Boatyard, LLC.

6. Debtor Deltaville Boatyard, LLC ("Deltaville Boatyard") is the entity that operates a world renowned boat yard and marina (the "Boatyard" and/or the "Boatyard Business") in Deltaville, Virginia.

7. While in the midst of implementing their own internal reorganization strategic plan, the Debtors were forced to file for bankruptcy relief by the actions of an aggressive secured creditor who moved to foreclose on the Yard and Marina. Debtors Boatyard Rentals and Deltaville Marina are individual obligors on the notes in question (which notes are secured by certain real property, i.e., the Yard and the Marina) and filed for relief under the Bankruptcy Code to stop the foreclosures such that all parties could benefit from a reorganization of the entities. Debtors Boatyard Rentals and Deltaville Marina are primarily non-operating entities in the business structure, with Debtor Deltaville Boatyard serving as the primary operating entity.

8. In approximately 2008, Debtor Boatyard Rentals borrowed $1.7 million from Eastern Virginia Bankshares, Inc. ("EVB") for the development of the Yard.

9. In addition, Debtor Deltaville Marina obtained an additional line from EVB in the amount of $1.9 million for the Marina. The Yard and Marina were further developed and certain of the real property was (and currently is) rented to Deltaville Boatyard for the operation of the renowned Boatyard Business.

10. Thereafter, the Debtors' businesses prospered. Unfortunately, substantially all focus was on operations, and administrative matters suffered. Accordingly, the Debtors became delinquent on tax reporting and payments to the Internal Revenue Service (the "IRS") and other governmental authorities.

11. The Debtors' resulting tax issues, coupled with the economic downtown's negative impact on the businesses and increasingly higher interest rates given the nature of the loans and the global state of the economy, the Debtors defaulted under certain of their obligations to EVB.

12. Upon information and belief, in October of 2014, EVB sold the Debtors' debt (and the debt of the Debtors' primary principal, Mr. Keith Ruse ("Mr. Ruse")) to SummitBridge National Investments III, LLC ("Summit") for approximately 50 percent of the amount due and owing to EVB. Thereafter, Summit commenced an aggressive campaign of trying to capitalize upon its purchase of the extremely discounted debt as well as recouping its investment costs. Notwithstanding Summit's aggressive tactics, in an effort to work with Summit in a manner that would allow for a successful reorganization of the businesses for the benefit of the entire estates (collectively, the "Estates" and each an "Estate), Mr. Ruse even agreed to allow Summit to foreclose upon his personal residence where he and his family had resided for almost eight years. Mr. Ruse understood that, by cooperating with Summit's desire to liquidate his residence for some immediate cash, there would be a mutual restructuring of the business indebtednesses for the benefit of the entire Estates.

13. Thereafter, the Debtors made several proposals to Summit regarding the restructure of the Debtors' indebtedness to Summit. While certain proposals appeared to be well received by Summit, and initial indications suggested that one or more proposals would be accepted, Summit ultimately rejected all of the Debtors' restructuring proposals. And instead of working with the Debtors to obtain a mutually acceptable restructuring of the Debtors' indebtedness as Mr. Ruse had understood would occur upon his acquiescence to the foreclosure of his home, Summit, without any warning, commenced foreclosure proceedings against the Yard and the Marina. The Debtors, thereafter, filed for relief under Chapter 11 of the Bankruptcy Code to allow for an orderly restructuring of the Debtors' operations and indebtedness for the benefit of the entire Estates.

14. The factual allegations in this Motion are for purposes of setting forth the potential collateral position of Summit and the IRS and are made without prejudice to the Debtors' and creditor's rights to contest the validity of the debt or collateral position of Summit and/or the IRS.

Cash Collateral[4]

15. Debtor Boatyard Rentals and EVB are parties to (i) that certain Business Loan Agreement dated March 20, 2008 (the "BR Loan Agreement"), by and among Debtor Boatyard Rentals and EVB; (ii) that certain Promissory Note dated March 20, 2008 (the "BR Original Note"), executed by Debtor Boatyard Rentals in favor of EVB in the original principal amount of One Million Seven Hundred Seventy Five Thousand and No/100 Dollars ($1,775,000.00); and (iii) that certain Credit Line Deed of Trust dated March 20, 2008, executed by Debtor Boatyard Rentals, as grantor to C. Tony Hudson and William E. Martin, Jr., as trustees for the benefit of EVB, recorded on March 20, 2008 among the land records of Middlesex County, Virginia (the "Land Records") as Instrument No. 080000677 (the "BR Original Deed of Trust"), with respect to certain real property located in Middlesex County, Virginia with a street address of 264 Buck's View Lane, Deltaville, Virginia (Tax Map Nos. Part of 41, Parcel 58, and 58A).

16. Summit is purportedly the assignee of EVB and purported current holder of the BR Promissory Note (as hereinafter defined) and beneficiary under the BR Deed of Trust (as hereinafter defined) pursuant to that (a) certain Allonge to Promissory Note dated March 20, 2008 made by Debtor Boatyard Rentals dated as of October 24, 2014 (the "BR Allonge" and

[4] Once again, the factual allegations in this Motion are for purposes of setting forth the potential collateral position of Summit and the IRS and are made without prejudice to the Debtors' and creditors' rights to contest the validity of the debt or collateral position of Summit and/or the IRS.

together with the BR Original Note, the "BR Promissory Note"), and (b) that certain Notice of Assignment of Note Secured by Deed of Trust from Original Lender to Summit dated as of October 24, 2014, recorded on November 5, 2014 among the Land Records as Instrument No. 140001588 (the "BR Assignment" and together with the BR Original Deed of Trust, the "BR Deed of Trust"). The BR Loan Agreement, BR Promissory Note, BR Deed of Trust, and all other documents executed in connection therewith are collectively referred to herein as the "BR Loan Documents."

17. Debtor Deltaville Marina and EVB are parties to (i) that certain Promissory Note dated December 17, 2012 (the "DM Original Note"), executed by Debtor Deltaville Marina, in favor of the EVB in the original principal amount of One Million Nine Hundred Sixty Four Thousand Two Hundred Ten and No/100 Dollars ($1,964,210.00); and (ii) that certain Credit Line Deed of Trust dated March 3, 2011, executed by Debtor Deltaville Marina and Debtor Boatyard Rentals, collectively as grantor to C. Tony Hudson and James S. Thomas, as trustees for the benefit of EVB, recorded on March 3, 2011 among the Land Records as Instrument No. 110000362 (the "DM Original Deed of Trust"), with respect to certain real property located in Middlesex County, Virginia with a street address of 274 Buck's View Lane, Deltaville, Virginia (Tax Map Nos. 41-58B, 41-58, and 41-58A).

18. Summit is purportedly the assignee of EVB and purported current holder of the DM Promissory Note (as hereinafter defined) and purported beneficiary under the Deed of Trust (as hereinafter defined) pursuant to that (a) certain Allonge to Promissory Note dated December 17,2012 made by Debtor Deltaville Marina dated as of October 24, 2014 (the "DM Allonge" and together with the DM Original Note, the "DM Promissory Note"), and (b) that certain Notice of

Assignment of Note Secured by Deed of Trust from EVB to Summit dated as of October 24, 2014, recorded on November 5, 2014 among the Land Records as Instrument No. 140001587 (the "DM Assignment" and together with the DM Original Deed of Trust, the "DM Deed of Trust"). The DM Promissory Note, DM Deed of Trust, and all other documents executed in connection therewith are collectively referred to herein as the "DM Loan Documents," and together with the BR Loan Documents, the "Loan Documents."

19. The amount outstanding as of the Initial Petition Date under the BR Promissory Note is approximately $1,935,396.13

20. The amount outstanding as of the Initial Petition Date under the DM Promissory Note is approximately $2,312,501.65.

21. Pursuant to the terms of the Loan Documents, Summit purports to have a perfected security interest in *certain* of the Cash Collateral (as hereafter defined) of Debtors Boatyard Rentals and Deltaville Marina by virtue of BR Deed of Trust and DM Deed of Trust. A review of the records with the Virginia State Corporation Commission ("SCC") reveals a UCC financing statement filed against Debtor Deltaville Marina dated July 19, 2010, DCN/File No. 10-07-19-3803-9. Based on the same Summit may have a lien on the following assets of **Deltaville Marina:**

> All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas, and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing

> property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

There were no similar UCC financing statements filed by Summit or its assignor against Deltaville Boatyard nor Boatyard Rentals.

22. The IRS also is potentially secured by a lien against certain of the Debtors' Cash Collateral. On June 13, 2016, the IRS recorded with the SCC its Notice of Federal Tax Lien against Deltaville Boatyard, LLC, DCN/File No: 16-06-13-4110-9.

Relief Requested

23. In order to remain in possession of property and continue business activity in an effort to maximize the value of assets for the benefit of the Estates and all of their creditors (as opposed to for the sole benefit of an aggressive purported secured creditor), the Debtors must use their cash collateral (as said term is defined in § 363 of the Bankruptcy Code) (hereafter, the "Cash Collateral") in their ordinary business operations.

24. The Debtors seek entry of an order pursuant to §§ 361 and 363 of the Bankruptcy Code authorizing, on an interim basis, the: (i) use of Cash Collateral; (ii) granting of certain adequate protection, if necessary, to Summit and the IRS in connection with such use; and (iii) granting of such other and further relief as the Court may deem proper.

25. Specifically, the Debtors seek authority to use Cash Collateral to fund the operation of their business for the next months in amounts substantially similar to the budget

attached hereto as Exhibit A plus additional amounts necessary to meet costs of goods sold for materials provided the same have been accounted for in a received deposit plus amounts necessary for payment due and owing to the Office of the United States Trustee ("UST") for disbursements.

26. The Debtors require the use of such Cash Collateral to effectively administer the Chapter 11 Estates; specifically, the Debtors require the continued use of such cash or cash equivalents to permit them to pay vendors, meet ongoing operational expenses, including wages, maintain in effect insurance policies, preserve and protect their assets, and to generally and otherwise pay obligations critical to continuing the operation of their business.

27. In an effort to adequately protect (to the extent necessary) the interests of Summit and/or the IRS in the Cash Collateral, to the extent that Summit and/or the IRS has a valid and enforceable lien in the Cash Collateral, the Debtors will provide Summit and/or the IRS replacement lien(s) in the Debtors' post-petition assets, to the same extent of their pre-petition liens. Specifically, the Debtors propose to grant to Summit and the IRS, to the extent of the use of the Cash Collateral to the detriment of Summit and/or the IRS as secured creditors, a post-petition replacement lien(s), which replacement lien(s) will be of the same validity, priority, and enforceability as the pre-petition liens of Summit and/or the IRS in such type of assets.

28. Summit shall also receive, as additional adequate protection, a payment of the first business day of each month in the aggregate amount of $7,500.00 starting on January 3, 2017, which payment amount shall also satisfy any and all obligations due and owing under 11 U.S.C. § 362(d)(3). Similarly, the IRS shall also receive, as additional adequate protection, a payment on or before the 21st day of each month in the aggregate amount of $5,800.00 starting

January 2017.

29. If the Debtors are not able to use Cash Collateral, the Debtors will be unable to maintain their current business operations. Without the immediate use of the Cash Collateral, the Debtors will be seriously and irreparably harmed, resulting in significant losses to the Debtors' Estates and creditors.

30. The Debtors are without sufficient funds to operate without the use of what may constitute Cash Collateral or until a final hearing on this Motion can be held. To avoid immediate and irreparable harm, the Debtors require the immediate use of Cash Collateral for the payment of certain business expenses necessary for the Debtors to continue to operate their businesses. The Debtors also are aware and anticipate that many of their vendors will require the payment of cash in advance of any delivery of goods or services. Failure to pay for such items on a timely basis will require the Debtors to close down all operations entirely, which may result in irreparable injury to the Debtors and eliminate their ability to effectively reorganize.

Legal Authority

31. The Court may approve the Debtors' use of the cash generated from rents and other collateral collected in the ordinary course of the Debtors' business over a lien holder's objection if said lien holder is adequately protected. *See In re WRB West Assocs.*, 106 B.R. 215, 219 (Bankr. D. Mont. 1989); *see also* 11 U.S.C. § 363 (a) and (c)(2). As § 363 of the Bankruptcy Code provides:

> The trustee may not use, sell or lease cash collateral under paragraph (1) of this subsection unless –
>
> each entity that has an interest in such cash collateral consents; or
>
> the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions in this section.

11 U.S.C. § 363(b)(2).

32. Section 361 of the Bankruptcy Code provides:

> When adequate protection is required under section 362, 363, or 364 of this title of an interest of an entity in property, such adequate protection may be provided by –
>
> > (1) requiring the trustee to make a cash payment or periodic cash payments … to the extent that … [such use] results in a decrease in the value of such entity's interest in such property;
> >
> > (2) providing to such entity an additional or replacement lien to the extent that such stay, use, sale, lease or grant results in a decrease in the value of such entity's interest in such property; or
> >
> > (3) granting such other relief … as will result in the realization by such entity of the indubitable equivalent of such entity's interest in such property

11 U.S.C. § 361.

33. The potential lien holders at issue in this Motion, specifically Summit and the IRS, are adequately protected as provided herein.

Notice

34. No trustee, examiner, or creditors' committee has been appointed in these Chapter 11 cases.

35. Copies of this Motion and notice thereof have been provided to the Office of the United States Trustee, the Debtors' unsecured creditors as identified in the chapter 11 petitions, the Debtors' known secured creditors, and any known legal counsel for the Debtors' secured creditors. In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is required.

WHEREFORE, the Debtors respectfully request that the Court enter an interim order substantially in the form attached hereto as Exhibit B and thereafter a final order: (i) authorizing the use of Cash Collateral; (ii) granting of certain adequate protection for said use; and (iii) granting such other and further relief as the Court may deem proper.

Respectfully submitted,

Deltaville Boatyard, LLC,
Deltaville Marina, LLC, and
Boatyard Rentals, LLC

Dated: December 7, 2016
Richmond, Virginia

By: */s/ Paula S. Beran*
Lynn L. Tavenner, Esquire (VSB No. 30083)
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Proposed Counsel for the Debtors

Certificate of Service

I hereby certify that on the 7th day of December, 2016, a true and correct copy of the forgoing Motion was served via electronic, facsimile and/or overnight delivery (next business day) to the Office of the United States Trustee, the Debtors' unsecured creditors as identified in the chapter 11 petitions, the Debtors' known secured creditors, and any known legal counsel for the Debtors' secured creditors (all as listed on Schedule A attached hereto).

/s/ Paula S. Beran
Proposed Counsel

Exhibit A

Deltaville Boatyard

Three Week Cash Flow Projection for the Period ending

24-Dec-16

Week Ending Saturday,

		1	2	3	
		12/6-10/16	12/17/2016	12/24/2016	Total
I	**Cash Receipts**				
	Services	1,800	1,200	2,000	5,000
	Fees	150	150	150	450
	Labor	31,000	32,000	35,000	98,000
	Storage	3,160	3,160	3,160	9,480
	Freight	300	300	200	800
	Finance Charges	0	0		0
	Outside Service Sub-Contractor	800	800	800	2,400
	Outside Service Rigging	1,715	1,715	1,715	5,145
	Materials Income	9,940	8,520	6,500	24,960
	Marina Fuel Income	800	700	800	2,300
	Marina Merchandise Sale	70	70	70	210
	Marina Office Rent Income	0	0	1,700	1,700
	Marina Yearly Slip Fee Income	0	0	0	0
	Marina Transient Income	800	800	875	2,475
					0
	Total	50,535	49,415	52,970	152,920
II	**Cash Disbursements from Operations**				
	Payroll and Taxes		38000		38000
	Terrapin Financial Services, LLC				0

	Insurance (Workers Comp, Health, General Libility, Auto)	6000	6000	6000	18000
	Sales Tax ST9			1323	1323
	941 Tax 2014 & 2015 (To be updated 1/2017)				0
	Marina and Rentals Property tax 2013 -2016				0
	Summit (To be updated 1/2017)				0
	Property Taxes (To be updated 1/2017)				0
	Cost of goods	7000	6000	4000	17000
	cost of goods - marina fuel				0
	Outside Labor - sub contractors	600	600	600	1800
	Janitorial supplies, cleaning and maintance and misc.	800	800	800	2400
	Total	14400	51400	12723	78523
III	**Net Cash Flow from Operations**	**36135**	**-1985**	**40247**	**74397**
IV	**Restructuring/Other - Receipts & (Disbursements)**				
	Utilities, Electricity, Phone, Dumpsters, Water	2000	2000	2000	6000
	Professional Fees (To be updated 1/2017)				0
	Legal Fees (To be updated 1/2017)				0
	Uniforms (To be updated 1/2017)				0
	Guaranteed Payment		4536.12		4536
	Accounting (To be updated 1/2017)				0
	Training				0
	Travel	500	500	100	1100
	Banking fees and online payment				0
	Fuel (Machinery and Equip)	500	500		1000
	Accounting software	375	375	375	1125
	Office supplies (To be updated 1/2017)				0
	Warranty	432	1542	1589	3563
	Total	3807	9453	4064	17324

V	**Net Change in Cashflow**	**32,328**	**(11,438)**	**36,183**	**57,073**
VI	**Cash Balance (Book)**	**Total Week1**	**Total Week2**	**Total Week 3**	
	Beginning Cash Balance (Operations Account)	12,314	44,642	33,204	
	Change in Cashflow	32,328	(11,438)	36,183	
	Ending cash Balance	44,642	33,204	69,387	

Deltaville Boatyard

Thirteen Week Cash Flow Projection for the Period ending

25-Mar-17

Week Ending Saturday,

		4	5	6	7	8	9	10	11	12	13	
		12/31/2016	1/7/2017	1/14/2017	1/21/2017	1/28/2017	2/4/2017	2/11/2017	2/18/2017	2/25/2017	3/4/2017	Total
I	**Cash Receipts**											
	Services		2,000	2,000	2,000	1,800	1,200	2,000	1,800	1,200	2,000	16,000
	Fees		150	150	150	150	150	150	150	150	500	1,700
	Labor		40,000	40,000	41,000	42,000	38,000	42,000	40,000	42,000	45,000	370,000
	Storage	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	2,000	30,440
	Freight		300	300	200	300	300	200	300	300	300	2,500
	Finance Charges		0	0	0	0	300	0	0	0	300	600
	Outside Service Sub-Contractor		800	800	800	800	800	800	800	800	1,000	7,400
	Outside Service Rigging		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	2,000	11,600
	Materials Income		5,320	5,320	7,980	9,310	9,310	10,640	10,640	11,970	15,960	86,450
	Marina Fuel Income		800	800	800	800	800	1,000	2,000	2,500	2,500	12,000
	Marina Merchandise Sale		70	70	70	70	70	70	70	70	70	630
	Marina Office Rent Income		0	0	1,700	0	0	1,700	0	0	1,700	5,100
	Marina Yearly Slip Fee Income				0			0			0	0
	Marina Transient Income		800	800	875	300	300	300	800	1000	1000	6,175
												0
	Total	3,160	54,600	54,600	59,935	59,890	55,590	63,220	60,920	64,350	74,330	550,595
II	**Cash Disbursements from Operations**											
	Payroll and Taxes	28000		31000		36000		40000		43000		178000
	Terrapin Financial Services, LLC		3000				3000				3000	9000

	Insurance (Workers Comp, Health, General Libility, Auto)	6000	6000	6000	6001	6000	6000	6000	6000	6000	6000	60001
	Sales Tax ST9	0	282	282	423	493	493	564	564	634	846	4582
	941 Tax (adequate protection)				5800				5800			11600
	Summit (adequate protection)		7500				7500				7500	22500
	Cost of goods	4000	4000	4000	6000	7000	7000	8000	8000	9000	12000	69000
	cost of goods - marina fuel		4000	500	500	500	500	500	500	500	1000	8500
	Outside Labor - sub contractors		600	600	600	600	600	600	600	600	1000	5800
	Janitorial supplies, cleaning and maintance and misc.			500		800	1000	1000	1500	2000	2000	8800
	Total	38000	25382	42882	19324	51393	26093	56664	22964	61734	33346	377783
III	**Net Cash Flow from Operations**	**-34840**	**29218**	**11718**	**40611**	**8497**	**29497**	**6556**	**37956**	**2616**	**40984**	**172812**
IV	**Restructuring/Other - Receipts & (Disbursements)**											
	Utilities, Electricity, Phone, Dumpsters, Water	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	20000
	Professional Fees	2703		2703		2703		2703		2703		13515
	Legal Fees (To be updated)											0
	Uniforms		370	370	370	370	370	370	370	370	370	3330
	Guaranteed Payment	5769		5769		5769		5769		5769		28845
	Accounting (To be updated)											0
	Training	750	750	750	750	750	750	750	750	1000	1000	8000
	Travel	100	100	500	500	500	500	500	500	800	800	4800
	Banking fees and online payment		250				250				250	750
	Fuel (Machinery and Equip)		600				600				600	1800
	PierVantage account software, Microsoft 365, USA E-pay		1500				1500				1500	4500
	Office supplies and Misc Material	300	300	300	300	300	300	300	300	300	300	3000
	Warranty	95	1638	1638	1798	1797	1668	1897	1828	1931	2230	16518
	Total	11717	7508	14030	5718	14189	7938	14289	5748	14873	9050	105058

V	**Net Change in Cashflow**	**(46,557)**	**21,710**	**(2,312)**	**34,893**	**(5,692)**	**21,559**	**(7,733)**	**32,208**	**(12,257)**	**31,934**	**67,754**
VI	**Cash Balance (Book)**	**Total Week 4**	**Total Week 5**	**Total Week 6**	**Total Week 7**	**Total Week 8**	**Total Week 9**	**Total Week 10**	**Total Week 11**	**Total Week 12**	**Total Week 13**	
	Beginning Cash Balance (Operations Account)	69,387	22,830	44,540	42,228	77,121	71,429	92,988	85,256	117,464	105,207	
	Change in Cashflow	(46,557)	21,710	(2,312)	34,893	(5,692)	21,559	(7,733)	32,208	(12,257)	31,934	
	Ending cash Balance	22,830	44,540	42,228	77,121	71,429	92,988	85,256	117,464	105,207	137,141	

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

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INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL AND ADEQUATE PROTECTION

This matter came before the Court upon the Debtors' Motion to Authorize Use of Cash Collateral and Adequate Protection and Memorandum in Support Thereof (the "Motion")[4]. The Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested in the Motion at a hearing before the Court (the "Hearing"); the Court finding

[1] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 13-4216818.
[2] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 20-1921031.
[3] The Debtor's address is PO Box 497, Deltaville, VA 23043 and the Debtor's EIN is 20-1958245.
[4] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
David N. Tabakin, Esquire (Va. Bar No. 82709)
Tavenner & Beran, PLC
20 North Eighth Street, Second Floor
Richmond, Virginia 23219
Telephone: (804) 783-8300
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Proposed Counsel for the Debtors

that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2) and (c) notice of this Motion and the Hearing was sufficient under the circumstances; and the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein in order to avoid immediate and irreparable harm to the estates; it is hereby

FOUND, DETERMINED, ORDERED AND ADJUDGED, BASED UPON THE RECORD BEFORE THE COURT AT THE HEARING, that:

1. *Bankruptcy Filings*. Each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, and each has continued with the management and operation of its businesses and properties as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. *Jurisdiction*. This Court has core jurisdiction over the Debtors' cases, the Motion, and the parties and property affected hereby, pursuant to 28 U.S.C. §§ 157(b) and 1334.

3. *Objections*. All pending objections to the entry of this Interim Order, if any, are resolved hereby or, to the extent not resolved, are overruled.

4. *Use of the Cash Collateral – Cash Management*. The Debtors allege that, in the ordinary course of business, the Debtors require cash on hand and cash flow from their operations to fund their working capital needs and therefore there is a risk that the going concern value of the Debtors' businesses will decline if they cannot access cash on hand and cash flow from their operations. Subject to the terms and conditions set forth herein, the Debtors are hereby authorized to use the Cash Collateral to pay amounts approved by any other Order of this Court and to provide working capital for the Debtors, but in any event solely in accordance with the

Budget, this Order, and other applicable orders of this Court.

5. *Terms of Cash Collateral Use*. The terms of the Debtors' use of the Cash Collateral and the adequate protection arrangements, in each case as more fully set forth in this Interim Order, (i) are fair and reasonable, (ii) reflect the prudent exercise of business judgment consistent with the Debtors' fiduciary duties, (iii) constitute reasonably equivalent value and fair consideration and (iv) are essential and appropriate for the continued operation and management of the Debtors' businesses and the preservation of their assets and properties. Entry of this Interim Order is in the best interests of the Debtors and their Estates and creditors and will, among other things, allow for the continued operation of the Debtors' existing businesses.

6. *The Budget*.

a. The amount of the Cash Collateral authorized to be used hereby by the Debtors shall not exceed the amounts reflected in the budget attached to this Interim Order as Exhibit A (as amended, supplemented, extended or otherwise modified from time to time, the "Budget") for the time period set forth herein except as provided below:

i. Debtors shall be authorized to use Cash Collateral in accordance with the Budget, in an amount that would not cause the Debtors to use Cash Collateral for operating disbursements in an aggregate amount greater than one-hundred and ten percent (110%) of the operating disbursements in the Budget for any 4-week period (a "Permitted Variance"). If the aggregate amount of Cash Collateral actually used by the Debtors, measured on a 4-week basis, is less than the aggregate amount of Cash Collateral available for use by the Debtors in the Budget during such period, then for purposes of the Permitted Variance, the Debtors may carry over any such unused amount to the future periods in the Budget.

ii. Debtors shall be authorized to purchase materials in excess of amounts reflected on the Budget if a deposit has been received in an amount in excess of the cost of said materials.

iii. The Debtors may also pay all amounts due and owing to the Office of the United States Trustee.

b. The Debtors represent, based on the best of their knowledge, due diligence and a review of documents and information, that (i) the Budget is achievable and will likely allow the Debtors to operate in the ordinary course of business and without the accrual of unpaid administrative expenses; and (ii) the Budget includes all reasonable, necessary, and presently foreseeable expenses that are required to be incurred and paid in connection with the operation of the Debtors' businesses for the period set forth in the Budget with the exception of (y) additional amounts that may be necessary for the purchase of materials where a deposit to cover said materials has already been received and (z) amounts due and owing to United States Trustee.

c. The Budget may be amended, supplemented, extended or otherwise modified from time to time in form and substance to which the Debtors and Summit agree, only upon the written consent of the Debtors and Summit, and any such amendment, supplement, extension or modification shall be effective without further approval by the Court or notice to any party, other than notice to the United States Trustee, the IRS, and any official committee(s).

7. *Adequate Protection*. Summit and/or the IRS may be entitled, pursuant to §§ 361, 363(c)(2), and 363(e) of the Bankruptcy Code, to adequate protection of potential interests in the Collateral and the Cash Collateral ("Adequate Protection"), in an amount equal to the aggregate diminution in value of the particular creditor's Collateral, including, without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Collateral and from the imposition of the automatic stay pursuant to § 362 of the Bankruptcy Code (such diminution in value, the "Adequate Protection Obligations"). Any claim or lien granted by this Interim Order with respect to adequate protection shall not be: (a) subject or junior to any lien that is avoided and preserved for the benefit of the Debtors' Estates, whether under § 551 of the Bankruptcy Code or otherwise; or (b) subordinated to or made *pari passu* with any other claim or lien, whether under § 364(d) of the Bankruptcy Code or otherwise.

8. As Adequate Protection, Summit is hereby granted the following:

a. Adequate Protection Liens. Summit is hereby granted (effective and perfected upon the date of the entry of this order and without the necessity of the execution by the Debtors of mortgages, deeds of trust, security agreements, pledge agreements, control agreements, financing statements or other agreements), to the extent of the diminution in value of Summit's Collateral from the Debtors' use of Cash Collateral, additional and valid, perfected and enforceable continuing replacement security interests and liens (the "Adequate Protection Liens") in the collateral type similar to the Collateral to the extent that Summit held a valid and perfected lien prior to the Petition Date (such collateral, the "Replacement Collateral"); and

b. Adequate Protection Payments. Summit shall receive, as additional adequate protection, a payment of the first day of each month in the aggregate amount of $7,500.00 commencing January 3, 2017, which payment amount shall also satisfy any and all obligations due and owing under 11 U.S.C. § 362(d)(3).

9. As Adequate Protection, the IRS is hereby granted the following:

a. Adequate Protection Liens. IRS is hereby granted (effective and perfected upon the date of the entry of this order and without the necessity of the execution by the Debtors of mortgages, deeds of trust, security agreements, pledge agreements, control agreements, financing statements or other agreements), to the extent of the diminution in value of the IRS's Collateral from the Debtors' use of Cash Collateral, additional and valid, perfected and enforceable continuing replacement security interests and liens (the "Adequate Protection Liens") in the collateral type similar to the Collateral to the extent that the IRS held a valid and perfected lien prior to the respective Petition Date (such collateral, the "Replacement Collateral"); and

b. Adequate Protection Payments. The IRS shall receive, as additional adequate protection, a payment on or before the 21st day of each month in the aggregate amount of $5,800.00 commencing January 2017.

10. *Perfection of Adequate Protection Liens*.

a. Subject to the provisions of this Interim Order, Summit and/or the IRS is hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction or take any other action in order to validate and perfect the liens and security interests granted to Summit and/or the IRS hereunder. Whether or not Summit and/or the IRS shall, in its sole discretion, choose to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge dispute or subordination, at the time and on the date of entry of this Interim Order.

b. The Debtors are authorized to execute such agreements, security agreements, pledge agreements, control agreements and documents, including without limitation, mortgages, pledges, Uniform Commercial Code financing statements, mortgages, instruments or other documents as may be reasonably required by Summit to provide further evidence of the perfection of security interests and mortgages in the Replacement Collateral as provided herein.

11. *Authorization to Act*. Each of the Debtors is expressly authorized and empowered to perform, and the automatic stay of § 362 of the Bankruptcy Code is hereby modified to permit them to make, execute and deliver all instruments and documents (including the execution of security agreements, mortgages and financing statements), take such other actions and to pay all fees and expenses, which may be reasonably required or necessary for the Debtors' performance

under this Interim Order, including, inter alia, to: (i) perform all of their obligations as provided for in this Interim Order; (ii) pay the fees and expenses set forth in this Interim Order, and (iii) to perform all other acts that may be required in connection with this Interim Order. The Debtors are authorized to perform all acts and to make, execute and deliver any and all instruments as may be necessary to implement the terms and condition of this Interim Order and the transactions contemplated hereby. The stay of § 362 of the Bankruptcy Code is hereby modified to permit the Debtors, Summit and the IRS to accomplish the transactions contemplated by this Interim Order without further order of the Court.

12. *Amendments*. If necessary to implement the terms and condition of this Interim Order, each of the Debtors are expressly authorized and empowered to enter into amendments or other modifications of the Loan Documents without further order of the Court, in each case, in such form as Summit and/or the IRS (as applicable) may agree with the Debtors in writing.

13. *Reservation of Rights*. (a) Under the circumstances and given that the above described Adequate Protection is consistent with the Bankruptcy Code, including § 506(b) thereof, the Court finds that the Adequate Protection is reasonable and sufficient to protect the interests of Summit and the IRS for the limited duration of this Interim Order. However, notwithstanding anything herein to the contrary, at any time Summit and/or the IRS may request further or different adequate protection or other relief from the Court with respect to the these cases or this Interim Order after notice and a hearing, which may be conducted on an expedited basis, and the Debtors or any other party in interest may contest any such request. Except as expressly provided herein, nothing contained in this Interim Order (including, without limitation, the authorization of the use of any Cash Collateral) shall impair or modify any rights, claims or

defenses available in law or equity to Summit, the IRS, and/or the Debtors. (b) Nothing contained in this Interim Order shall impair or modify any rights or claims of the Debtors related to assets not subject to a properly perfected security interest.

14. *Immediate Entry of this Order*. The Debtors have requested immediate entry of this Interim Order pursuant to, and have complied with, Bankruptcy Rule 4001(b)(2). For the reasons stated herein and as stated on the record at the Hearing, this Court concludes that immediate entry of this Interim Order is in the best interests of the Debtors.

15. *Effectiveness*. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof.

16. *Final Hearing*. The final hearing (the "Final Hearing") is scheduled for ________________________, 2017 at _____:_____ a.m./p.m. before this Court. The Debtors shall promptly mail copies of this Interim Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, upon the Office of the United States Trustee, the Debtors' unsecured creditors as identified in their chapter 11 petitions, Summit and its counsel, the IRS, and any party who has filed a notice of appearance in these cases.

17. Any party having any objection to any of the relief provided herein shall, prior to ________________________, 2017: (a) file a written objection with the Clerk of this Court; (b) serve copies of such written objection on (i) Tavenner & Beran, PLC, (ii) the Office of the United States Trustee, (iii) the Debtors' unsecured creditors as identified in their chapter 11 petitions, (iv) Summit and its counsel, and (v) the IRS; and (c) attend the Final Hearing.

Enter:

____
UNITED STATES BANKRUPTCY JUDGE

I ask for this:

____
Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
David N. Tabakin, Esquire (Va. Bar No. 82709)
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Proposed Counsel to the Debtors

Seen and not objected to:

/s/____________________________________
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701 East Broad Street, Suite 4304
Richmond, Virginia 23219
Telephone: (804) 771-2310

Assistant United States Trustee

Local Rule 9022-1 Certification

I hereby certify that, pursuant to Local Rule 9022-1, the foregoing proposed Order has either been served upon and/or endorsed by all necessary parties.

____
Proposed Counsel

Schedule A

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